

Office Memorandum

UNITED STATES GOVERNMENT

TO : GER - Mr. Geoffrey H. Lewis

FROM : GPA - F. E. Ropshaw

SUBJECT: "Consultants Program" in the Light of Present and Future Developments
PA or FOI EXEMPTIONSREVIEWED BY: *John*

DATE: 3/6/51

TO: ADJ. GEN.

LARGEST EXISTING PARAGRAPH

DEC. ASSISTANT SECRETARY

PA or FOI EXEMPTIONS

The following is a brief abstract of the attached papers which were transmitted by Carl H. Nordstrom, Chief, Scientific Research Division, Military Security Board, HICOG:

In considering the change-over from Occupation Status to a contractual basis, Mr. Nordstrom raises the following two questions:

1. Will future policy permit the payment of consultants retainers fees out of Occupation Costs?
2. If not, will other funds be provided for this purpose?

Mr. Nordstrom's paper indicates that the Consultants Program will become increasingly important and that he believes it is essential that the Program not only be continued but be expanded. He supports his position by reference to:

- A. German Scientists participation in NATO research projects
- B. Increased importance of denial of scientists to the East
- C. Continued burden of supporting refugee scientists from the East.

There is attached a copy of a request dated August 19, 1950 for the use of 5% counterpart funds for this purpose. Mr. Nordstrom comments that he has been advised that it is impossible to grant this request for technical legal reasons and he, therefore, requests that other funds be made available for the continuation of the Scientific Consultants Program.

Recommendation:

In view of the fact that the attached papers indicate an initial fund of 5 million DM but do not provide for details as to the basis of this estimate nor the contemplated expansion to which Mr. Nordstrom refers, I suggest that an interim reply along the lines of the attached airmail be forwarded to Mr. Nordstrom which would indicate:

1. The receipt of his paper
2. Request a more detailed budget estimate of his operation, and
3. Clearly state that this request is exploratory and not in the nature of a commitment.

Attachments:

110296

As above.

GER:GPA:FERopshaw:emm

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SECURITY INFORMATION

GER - Mr. Schwartz

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OFFICE MEMORANDUM

COPY

To: ECA Mission - Dr. Carl Bode

Date: August 19, 1950

From: MSB/SRD - Carl H. Nordstrom

Subject: Five Percent Counterpart Funds

1. Reference is made to previous discussion concerning the use of Five Percent Counterpart Funds to support such scientific research and related activities as may be of special interest to the United States.

2. It is our opinion that the interests of the U.S. would be furthered considerably by

a. The support of key research projects, with the proviso that the U.S. Government will receive complete technical results of such research and will have royalty-free use of patents resulting therefrom;

b. The support of key scientific journals and periodicals which for the lack of such support would become bankrupt or be absorbed by East Zone publishing houses;

c. The support of certain East Zone scientists and their families who indicate their desire to leave the East Zone because of restrictions on their intellectual activities or who are in danger of being deported;

d. The support of underpaid West Zone scientists who, although politically reliable, may be tempted eastward by offers of economic security;

e. The support of the testing and demonstration of inventions offered to the U.S. by German scientists and engineers, when it is U.S. opinion that such tests and demonstrations are necessary to evaluate the invention.

3. It is difficult to estimate the sum per year which could be used effectively, since grants must be made on a case-by-case basis. Each case will require a complete investigation as to political reliability, scientific excellence, U.S. interest, etc. The determination of key research projects of interest to the U.S. will be discussed during my visit to Washington the latter part of this month.

4. It is requested that initially a fund of 5 million DM be set aside to be used by the Scientific Research Division for the purposes set forth above, this fund to remain administratively under the control of the ECA Mission, specific sums being released on a case-by-case basis as specified by the Scientific Research Division.

Tel: BERLIN 86-5503

MSB/SRD:CHNordstrom/nmr

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